



[Billing Code 3290-F0]

## **OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE**

**Docket Number USTR-2019-0001**

### **Results of the 2019 Annual Generalized System of Preferences Review**

**AGENCY:** Office of the United States Trade Representative.

**ACTION:** Notice.

**SUMMARY:** The Office of the United States Trade Representative (USTR) is announcing the results of the 2019 annual Generalized System of Preferences (GSP) review with respect to: products considered for removal from the list of eligible products for certain beneficiary countries; decisions related to competitive need limitations (CNLs), including petitions for waivers of CNLs; and requests to reinstate/redesignate products previously excluded from GSP eligibility for certain countries.

**FOR FURTHER INFORMATION CONTACT:** Claudia Chlebek, Director for GSP at (202) 395–2974 or [claudia.m.chlebek@ustr.eop.gov](mailto:claudia.m.chlebek@ustr.eop.gov).

### **SUPPLEMENTARY INFORMATION:**

#### **A. Background**

The GSP program provides for the duty-free treatment of designated articles when imported from beneficiary developing countries. The GSP program is authorized by Title V of the Trade Act of 1974 (19 U.S.C. 2461 *et seq.*), as amended, and is implemented in accordance with Executive Order 11888 of November 24, 1975, as modified by subsequent Executive Orders and Presidential Proclamations.

Each year, USTR leads the interagency Trade Policy Staff Committee (TPSC) in reviewing the list of products eligible for GSP benefits and, after completing this process,

which includes public hearings, provides recommendations to the President on appropriate actions based on statutory criteria, including exclusions from duty-free treatment of products from certain countries when they have reached the statutory CNL thresholds.

The GSP statute (19 U.S.C. 2463(c)(2)) establishes CNLs as a basis for withdrawing duty-free treatment. The statute provides that when the President determines that a GSP beneficiary has exported to the United States during any calendar year a quantity of an eligible article that either is (1) greater than a specified amount (\$185 million for 2018), or (2) exceeds 50 percent of the appraised value of the total U.S. imports of that article, the President “shall, not later than November 1 of the next calendar year, terminate the duty-free treatment for that article” from that beneficiary, unless a waiver is granted.<sup>1</sup>

Under 19 U.S.C. 2463(d), the President may waive either CNL if, before November 1 of the calendar year following the year in which imports exceeded CNLs, the President (1) receives advice from the U.S. International Trade Commission on whether any industry in the United States is “likely to be adversely affected by such waiver”; (2) determines, based on certain statutory considerations,<sup>2</sup> that such a waiver is in the national economic interest; and (3) publishes that determination in the *Federal Register*. The statute further provides in 19 U.S.C. 2363(c)(2)(F) that the President may disregard the 50 percent CNL if total imports of an article did not exceed a *de minimis*

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<sup>1</sup> CNLs do not apply to least-developed or sub-Saharan African beneficiary countries (19 U.S.C. 2463(c)(2)(D)).

<sup>2</sup> These include the general statutory considerations for granting duty-free treatment for any article from any beneficiary under 19 U.S.C. 2461, as well as the country eligibility criteria set forth in 19 U.S.C. 2462(c).

amount (\$24 million in 2018), or if the product was not produced in the United States in any of the three preceding calendar years.

## **B. Results of the 2019 Annual GSP Review**

In the 2019 annual GSP review, the TPSC reviewed (1) petitions to remove the GSP eligibility of 2 products; (2) 3 petitions to redesignate products previously excluded from GSP eligibility for certain beneficiary countries; (3) petitions to waive CNLs for 2 products from beneficiary countries; and (4) 27 products eligible for 1 year *de minimis* waivers of CNLs.

Presidential Proclamation 9955 of October 25, 2019, implements the President's decisions regarding the 2019 annual GSP review, including CNL waivers and product redesignations. These modifications to the GSP program, implemented by Presidential Proclamation 9955, became effective on November 1, 2019. This notice provides a summary of the results of the 2019 annual GSP review. You also can view the results, comprising five lists, at <https://www.regulations.gov> using docket number USTR-2019-0001, under "Supporting and Related Materials" and on the USTR website at [https://ustr.gov/sites/default/files/files/gsp/Results\\_of\\_the\\_2019\\_GSP\\_Annual\\_Product\\_Review.pdf](https://ustr.gov/sites/default/files/files/gsp/Results_of_the_2019_GSP_Annual_Product_Review.pdf).

As described in List I, the President denied the two petitions to remove Polyethylene Terephthalate (PET) resin (HTS 3907.61.00 and HTS 3907.69.00) from GSP eligibility for Pakistan. Qualifying products from Pakistan will continue to enter the United States duty-free.

As described in List II, the President granted a petition to redesignate fresh-cut orchids (HTS 0603.13.00) from Thailand to GSP. In addition, the President granted a

petition to redesignate bamboo plywood (HTS 4412.10.05) and certain tropical hardwood plywood (HTS 4412.31.4155 (pre-November 1, 2019) and HTS 4412.31.45 (post November 1, 2019)) from Indonesia to GSP. Qualifying products, therefore, now enter the United States duty-free.

As described in List III, one product from North Macedonia exceeded the CNLs, for which no petition was received, and now enters the United States at the NTR duty rate. This product is motor vehicles with diesel engine for 16 or more passengers (HTS 8702.10.31).

As described in List IV, the President granted a petition for a CNL waiver for plastic spectacle lenses (HTS 9001.50.00) from Thailand; qualifying products will continue to enter the United States duty-free. The President denied a petition for a CNL waiver for stearic acid (HTS 3823.11.00) from Indonesia. Therefore, the product is subject to the NTR duty rate.

As described in List V, the President granted one-year *de minimis* waivers to 27 products that exceeded the 50-percent import-share CNL but for which the aggregate value of all U.S. imports of that article was below the 2018 *de minimis* level of \$24 million. Qualifying products will continue to enter the United States duty-free.

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